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STA/SIA

# Major News Releases and Speeches

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# Remarks

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**Remarks prepared for delivery by Secretary of Agriculture John R. Block before the National Grain and Feed Association, Washington, D.C., March 14.**

I'm delighted to be here today. It's good to have opportunities like this to share some thoughts, and to talk about what we must do together in the coming months to help restore economic vitality to the agricultural industry.

Your convention theme this year is very fitting—"Rendezvous With Destiny." American farmers have just had possibly one of the most important rendezvous with destiny they will hold in the decade.

I'm talking, of course, about last Friday's deadline to sign up for the payment-in-kind program. I know you are as interested in the outcome as I am. We're all part of this industry, and that means we all have something at stake in the signup results.

If you're like me, I'm sure you've had some anxious times the past two months when obstacles cropped up that could cut heavily into participation. We have weathered those storms—thanks to the strong support from President Reagan, and the bipartisan effort by the leaders in Congress.

We received this support because it's a good program. In all my years in agriculture, I cannot remember any program that offered farmers so many advantages. With PIK, they have more options, more flexibility and more to lose by sitting on the sidelines, than ever before.

In times past, farmers too often had to rely upon someone or something else for their destiny. That's changed this year—because PIK was designed to be a self-help program that relied upon farmers themselves—with a dash of outside help from the weather, naturally.

With the signup behind us, we are already turning our attention to what I call "Phase 2." Or, as some have said, now is when we get down to the real nitty gritty.

Regardless of how you label it, now is the time when mutual cooperation is essential. We will need all the constructive ideas you can offer to help us work through the problems together.



I won't spend a lot of time this morning going into details on each of these problems—or how we plan to address them. I'll leave that for you to discuss with Merrill Marxman and Roy Cozart, when they appear on your PIK "Town Meeting" tomorrow afternoon.

However, I do want to reassure you that we know some of these issues are very complex. They will take a lot of work and careful planning to resolve.

By now, you should have been contacted by our ASCS operations staff. You will hear from them again in the coming weeks—and I hope you will feel free to discuss with them any problems you have encountered—so we can deal with these issues before they become large obstacles.

Now, let's shift our attention to another rendezvous we have with destiny. That's the one on exports. We all realize that PIK and other land retirement programs are short-term. The real long-term thrust of American agriculture will continue to focus on production and marketing.

That's what American agriculture is noted for. And that's where we should focus our energies—on market development and product demand—for both raw and processed commodities in domestic and international markets.

When crops are harvested from two out of every five acres, and shipped overseas, it doesn't make much difference whether you're operating a country elevator in Illinois, a terminal elevator in Enid, or a port facility on the Gulf or Pacific coast—exports are part of your lifeblood.

Your industry is a vital link in this export trade and I want you to know that we recognize and appreciate your efforts to expand these markets.

President Reagan has made his position very clear. He is firmly committed to a broader strategy in international trade—one that is fair to America's farmers, and helps supply critical food and fiber to millions of people all around the globe.

For that reason, we will continue to be aggressive in facilitating the sale of U.S. farm products in all markets. But that's going to be a tough job.

You are well aware of the situation. Our exports fell off this past fiscal year. It was a \$4.7 billion drop that was felt throughout the industry. Corn was hardest hit with a drop of some 10 million metric tons.

The current outlook doesn't promise a quick reversal. Our challenge within the industry, as I see it, will be to apply a lot of work and creative thinking toward making this trend as short-lived as possible.

The first step in facing any challenge such as this is to have a clear picture of what caused the situation in the first place. Obviously, the overall problem is that we have some heavy world supplies in many of these commodities. The weather has given us some good growing seasons. Add some government-created production incentives, and we begin to see how the stocks began to build.

This all was happening during a period when the world was entering a recession, causing the demand for our products to decrease. At the same time, we continued to face stiff foreign competition from subsidized agriculture in other nations.

Much of this unfair competition has come from the European Economic Community, which is spending some \$7 billion annually to subsidize farm exports. That's the outcome from their having built a trade wall around EEC member countries some 20 years ago. From a net importer of food and fiber, the EEC has become the second largest exporter of farm products.

But they've paid a high price for it. It's a wonder to me that EEC consumers—those who are footing the bill—haven't rebelled at the cost, especially during these recessionary times.

Other countries—like Japan—have severely limited market access.

The combined impact of these measures has been to depress world prices for farm products. It also has forced American farmers to compete against the treasuries of foreign nations.

The Soviet grain embargo also accounts for a significant portion of the market share loss. It would be great to be able to forget about that ill-advised action. But American agriculture—ironically—is still paying the penalty for Russia's invasion of Afghanistan.

Since President Reagan lifted that embargo two years ago, our sales to Russia have increased by fractions: about one-third last year and nearly one-fourth so far in 1982-83. Even so, America has missed out



on the main expansion of the Soviet market—which virtually doubled over four years.

That presents a brief summary of the situation, and an overview of how it all came about. Now let's talk about what we can do about it.

You've undoubtedly followed our continuing efforts to negotiate with the EEC, and our lack of success to date. Our talks with Japan have resulted in only slightly better promise.

Still, it's important to continue talking about these problems—and we will always have time to talk. But action is sometimes also necessary, for two reasons. First, it can help illustrate the basic point we are trying to make in our talks. And second, as I said before, it is our obligation to help facilitate the sales of U.S. agricultural products in the world market.

It was in this spirit that we negotiated the recent sale of wheat flour to Egypt. We captured one-sixth of the world flour market with that deal.

The blended credit program is another example of what can be accomplished with some creative thinking. In less than two months, we earmarked the first half-billion dollars. The president gave us another \$250 million—and that's almost gone, too.

We also completed a supply agreement with Mexico. It covers 6.2 million tons of commodities during 1983, and provides over \$1 billion in credit guarantees to facilitate these sales.

This aggressive use of credit in rifle-shot fashion is important. We're penetrating markets that have been enticed away by our competitor's subsidies, without disrupting the market structure of other trading partners.

This is an important point. Our goal is not to disrupt trade. Instead, our objective is to encourage fair trade. We want to re-establish the fair competitive position of U.S. agricultural exports. The ideal way to achieve this objective is through open negotiation with our competitors. Also, some export incentives may be necessary, but they will be initiated with extreme care so that they achieve their purpose—nothing more.

This means that these incentives must be targeted to specific countries to meet specific situations. They must result in distinct benefits for U.S. exports with the least cost.



We're looking for ways to benefit all of world trade. We don't want negative results such as lower world prices for the commodities we subsidize. This would outweigh the benefits that we would have from increased sales.

The actions we take also must not displace other U.S. sales, whether it be credit, cash or concessional. And lastly, to the extent that it is possible, we will not interfere with existing trade flows from countries that do not use export subsidies in the market.

We don't want any of our actions—whether it be wheat flour to Egypt, blended credit, or others—to be viewed as the first U.S. shot in a trade war. If that happened, then our efforts would not have achieved their ultimate goal. That goal is to demonstrate to other countries that no one can win in subsidized competition. We would all be losers, and that is just not necessary. This is why we must work toward an effective, enforceable subsidies code for the rational conduct of agricultural trade.

Ironically, your industry finds itself this year in much the same position that farmers are in traditionally. That is, your destiny rests heavily upon someone else—in this case, the American farmers.

A lot of people probably don't appreciate how closely your fortunes are tied to those of the farmer. When times are good, demand is firm, and prices are strong—that's when you can pay better prices to farmers. But when farmers are having a tough time, as they have had the past two years, your industry is having a tough time, too. I'm certain you would rather be in the position where you can pay better prices to farmers.

I'm confident that we are on the threshold of that new era. The indicators are giving some positive signs, but we as a nation will have to maintain and even step up our efforts to guarantee that we cross that threshold. Let's look at some of those indicators.

- Inflation was only 3.5 percent since January 1982, and only 1.4 percent for the past six months. That has tremendous implications for agriculture.

- Interest rates are still heading down. The prime has dropped to 10-1/2 percent, and many economists see another couple of points being chopped off by summer.

— First quarter GNP growth is running at about 4 percent. This is higher than even the administration's economists have predicted.

— We have even seen some strength in the prices farmers are receiving for their commodities. With a successful PIK program, we'll be able to build a foundation under these increases.

It's important that we keep one thing in mind about these positive signs. It doesn't mean that we can suddenly take a deep breath and say: "Well—we've made it." Instead, it means that we've been heading in the right direction. There's more work to be accomplished. Much more. My optimism is in the fact that we'll be able to do it.

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# Testimony

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## **Testimony of Deputy Assistant Secretary of Agriculture John Bode before the Senate Agriculture Committee, March 16.**

Mr. Chairman and members of the committee, thank you for the opportunity to discuss this administration's legislative proposal for mandatory workfare under the food stamp program.

Workfare programs have been called different names over the years, such as work relief and work for benefits. This administration's workfare program is referred to as the community work experience program (CWEP).

The idea behind workfare is simply that an employable recipient would provide a public service by working for a government unit or a private nonprofit organization in exchange for his or her public assistance payments, valued at the minimum wage. Such an individual does not receive a salary but is expected to work for the amount of benefits received.

The principal rationale for workfare are compelling. Workfare provides welfare recipients with beneficial work experience and encourages the transition to economic independence. It establishes an equitable system in which those who can work will work. Workfare also provides a contribution to the communities in which it is implemented.

Finally, workfare, in particular our CWEP proposal, has significant federal budgetary impact at a time when it is very important to restrain the federal deficit.

This administration has had a long-term interest in the workfare program, going back to 1972. While he was governor of California, President Reagan instituted a successful three-year community work experience program for able-bodied, employable welfare recipients who were not involved in the work incentive (WIN) program.

To encourage this "work-for-benefit" philosophy, this administration has incorporated some new workfare rules into the food stamp and AFDC programs. When President Reagan signed the food stamp and commodity distribution amendments of 1981, he made workfare an ongoing program option, available to any state or local political



jurisdiction. In those states which chose to operate workfare programs, food stamp recipients required to register for work in the regular food stamp program, would be eligible for workfare assignments. Those persons who would be exempt from workfare, would be persons who are aged or disabled, persons responsible for the care of a dependent child under six and persons needed in the home to care for an aged or disabled person. USDA issued final optional workfare program regulations Oct. 8, 1982. These regulations added some new features to the programs:

- We enlarged the proportion of the food stamp population subject to workfare. Recipients who have previously been exempt from workfare because they were receiving unemployment benefits or working fewer than 20 hours a week in the WIN and CWEP programs, were no longer exempt.

- We dropped the earned income exclusion, that has had families with earned income working only for the portion of their food stamp benefits that exceeded their income. Now all workfare households must work in exchange for their full monthly allotment.

- We gave communities the option of eliminating or reducing the 30-day job search period. This enabled them to place participants at workfare sites more quickly.

- We increased the penalty for households that refused to complete their workfare obligation. Now the whole household—not just the member referred to workfare—may lose their benefits. And, the entire household rather than the workfare member will be disqualified for two months rather than for one.

- And, we required that workfare participants be reimbursed for their workfare expenses, such as travel and day care costs, up to \$25 a month.

To develop the changes in the workfare design, we have relied heavily upon the results garnered from the workfare demonstration projects. The demonstrations were conducted in two phases as mandated by the Food Stamp Acts of 1977 and 1980. The Food Stamp Act of 1977 mandated that USDA implement pilot projects involving the performance of work by food stamp recipients in return for food benefits, and report to Congress on the results of such projects. In

response to this mandate, seven sites were selected. They operated between July 1979 and November 1980.

The 1980 amendments of the Food Stamp Act provided for the project to be extended and the project application process to be re-opened. It also provided for the addition of 50 percent of federal funding for administrative costs. Finally, it required that the report on the projects cover their operation from commencement through Sept. 30, 1981. The Act does not specify when the projects must end.

Fourteen sites were selected and their projects implemented by Jan. 31, 1981. The last site ceased participation as a workfare project sponsor in February 1982. USDA already has submitted to Congress reports on the first seven pilot projects. The report on the second set of fourteen sites will be submitted to Congress by the fall of this year.

The results from the demonstration projects have clearly shown that it is administratively feasible to operate cost-effective workfare programs that provide meaningful work experiences for participants.

We have learned that the workfare program has been administratively feasible in the community that volunteered to test the concept. We found that the costs and benefits at the first set of demonstrations about equalled each other. But data from the second set of sites suggests that benefits can be increased as communities get past the initial costs of setting up the program. The fact that some sites elected to continue workfare after the demonstration ended suggests they did not find that their costs outstripped benefits.

It's important to add here that the seven pilot projects that participated in the first year of workfare did not receive federal matching monies. We began matching administrative costs the second year—this helped us increase the number of projects, since more communities volunteered—and it had some effect on reducing the projects administrative overhead. Our new optional workfare regulations continue the provision for a federal match.

Some other things we've learned from the projects had to do with workfare participants. During the course of the project those referred to workfare both performed many hours of public service work and also left the food stamp rolls faster than similar people in communities without workfare. Some decline in participation could be a result of



food stamp recipients gaining encouragement about their own potential to secure unsubsidized employment.

Consider this excerpt from a letter sent to the San Diego workfare staff from one of their former referrals:

Now that I have found a job, I just wanted to let you know that being on the workfare program was a very good thing for me. Being in an office situation again helped me to realize that I really enjoy that type of work. I had very little confidence in myself when I first came in there but finding that I could handle the work given to me and being able to practice typing there gave me the incentive to go and take the county tests.

Others had similar experiences—learning new skills and meeting potential employers. One young man, for instance, received training in repairing police car radios. He proved so skillful in his workfare position that he was quickly snapped up by a major radio and electronics corporation.

The other source of benefits from workfare are reductions in food stamp benefits. The reduction in food stamp benefits occurred for several reasons. To the extent that workfare encouraged participants to search for jobs and helped them gain skills, some people were able to get jobs faster than they otherwise would have without workfare. These people could then leave the food stamp program.

Some savings also occurred because recipients refused to accept their workfare assignments and lost their benefits. Overall, we estimate that \$160,000 in food stamp benefit savings occurred during the first three months of the first set of projects. During that time, 7,597 people were referred to workfare.

We are pleased with the evaluation results from the first set of demonstration projects as well as the early results from the second set of sites. In summary, we have learned that:

- workfare increased access to paying jobs for participants;
- participants made positive contributions to their communities through their work at workfare job sites;
- workfare helped participants develop or practice job skills; and
- workfare was administratively feasible.

The administration is submitting to Congress a bill to amend the Food Stamp Act of 1977, as amended, which includes a provision to



make the community work experience program mandatory for all eligible food stamp program recipients. The administration's proposal would also establish greater conformity between the food stamp work requirements and those of the AFDC program. The work requirements would be extended to 16-and 17-year-olds unless they are under parental control of a household member.

Also, food stamp applicants would be required to meet job search requirements. Job search is now required of applicants only if state agencies exercise their option to mandate it. Further, food stamp state agencies would be given the same option that AFDC state agencies have to extend work requirements to caretakers of children between three and six years old, as well as those between six and twelve years old, when child care is available. Finally, the exemption from the work requirements now provided for students would be deleted.

## **Summary**

There are strong common sense reasons for supporting the administration's proposal for a mandatory community work experience program. First, workfare provides a way that employable people can be self-supporting right now. Food stamp recipients would have a way to return something to the community for the support provided through the food stamp program. Workfare can also help these people find the paying jobs they would prefer by providing work experience, even opportunities to enhance their skills, and by conveying the positive message that work is important.

Second, the workfare process serves to identify those able bodied and employable people who don't wish to work and provides them a strong incentive to do so.

Finally, it is estimated that the proposal would save \$90 million in fiscal 1984. Effective administration would realize these savings by making it possible for individuals to find regular employment, thus, becoming ineligible or entitled for smaller benefits.

In summary, we believe that the community work experience program addresses human needs as well as economic needs.

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# News Releases

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## **SPRING GRAIN CONSULTATIONS SET WITH SOVIET UNION**

WASHINGTON, March 11—The United States and Soviet Union will hold the spring session of regular, semi-annual grain consultations in Moscow March 24 and 25 under the terms of the U.S.-USSR grain agreement, Deputy Secretary of Agriculture Richard E. Lyng said today.

Lyng said agenda topics will be the same as for previous consultations under the agreement, which was extended last summer for a seventh year, through Sept. 30, 1983. These topics include a review of the world, U.S., and Soviet grain situations, and of the status of shipments and sales in the current agreement year.

The agreement obligates the U.S. to make available at least 8 million metric tons of wheat and corn annually and the USSR to purchase at least 6 million tons per year. At the previous consultation last October, it was concluded that the Soviets could purchase up to an additional 15 million tons without further consultation. Thus far this year, the Soviets have purchased about 6 million tons, half wheat and half corn.

Lyng said Acting Under Secretary of Agriculture Alan Tracy will head the U.S. delegation, while Deputy Minister of Foreign Trade Boris Gordeev will lead the Soviet team.

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## **USDA REVISES GRADE STANDARDS FOR POTATOES FOR PROCESSING**

WASHINGTON, March 14—The U.S. Department of Agriculture has revised U.S. grade standards for potatoes for processing to make the standards more useful to the potato industry in buying and selling the product.

Charles Brader, a marketing official with USDA's Agricultural Marketing Service, said the changes were requested by representatives



of both producers and processors to reflect current potato cultural practices and processing methods.

The revised standards, which become effective April 14, affect requirements for trimming and definitions for damage and serious damage. The revision also makes tests for specific gravity and fry color optional procedures.

Brader said USDA received 55 comments on the Oct. 19, 1982, proposal to change the standards. Comments were in general agreement with the proposal, he said, and except for minor editorial changes, the final rule is the same as the proposed revision.

The revised standards are scheduled to be published in the March 15 Federal Register, available at many public libraries.

The Agricultural Marketing Service establishes grade standards and provides official grading for many food products. Use of the standards and grading service is voluntary and paid for by the user.

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## **FRANKE SWORN IN AS USDA ASSISTANT SECRETARY FOR ADMINISTRATION**

WASHINGTON, March 14—John J. Franke today was sworn in by Secretary of Agriculture John R. Block as assistant secretary of agriculture for administration. Franke had been deputy assistant secretary for administration since Aug. 16, 1982.

Nominated for the new post by President Reagan early in February, Franke was confirmed by the Senate on March 11.

Before joining the U.S. Department of Agriculture, Franke was administrator of the Environmental Protection Agency's Region Seven, which encompasses Iowa, Kansas, Missouri and Nebraska.

Previously, he was for nine years an elected commissioner of Johnson County, Kan. He was elected mayor of Merriam, Kan., in 1971, after serving as president of the city council there for two years and as a council member for three years.

As Johnson County commissioner, he directed local administrative programs, established the county's solid waste program and assisted in



developing and enforcing environmental and health programs. Johnson County is the second largest and fastest growing county in Kansas.

He was campaign manager for former Kansas Gov. Bob Bennett in 1978 and for Sen. Robert Dole in 1974.

As a member of the Mid-America Regional Council, the metropolitan Kansas City planning body, Franke served on solid waste and utilities policy committees and was co-chairman of the planning and community development policy committees.

Prior to his involvement in public service, Franke was president and chief executive officer of his family's business, Franke Barber Supply, Inc. He is a former U.S. Marine.

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## **NATIONAL AGRICULTURE DAY TO BE OBSERVED MARCH 21**

WASHINGTON, March 15—National Agriculture Day—a day set aside to honor the Nation's food production system—will be observed March 21.

Some of the activities planned for the day include:

— At noon, Secretary of Agriculture John R. Block, who is honorary chairman of National Agriculture Day, will speak at a National Press Club luncheon honoring agriculture at the National Press Building.

— An agricultural exhibit in the patio of USDA's Administration Building on The Mall will feature the programs of various USDA agencies. It will be open to the public from 1 p.m., March 21 to noon, March 25.

— At 3:15 p.m. in the patio of USDA's Administration Building, Block will mail a petition to all state governors urging them to endorse an "Agriculture in the Classroom" program, which is designed to educate students about the importance of agriculture in the national economy. The petition has been signed by Block and seven former secretaries of agriculture—Robert S. Bergland, John A. Knebel, Earl L. Butz, Clifford M. Hardin, Orville L. Freeman, Ezra Taft Benson and Charles F. Brannan.

National Agriculture Day is sponsored by the National Agriculture Day Foundation, a private organization.

The foundation will hold a private reception for members of Congress and farm leaders in the evening.

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## **USDA FIGHTS FOOD STAMP LOSSES WITH 'OPERATION AWARENESS'**

WASHINGTON, March 15—A U.S. Department of Agriculture project to reduce losses in the food stamp program was announced today by Secretary of Agriculture John R. Block.

The project, titled Operation Awareness, "will be a coordinated effort of federal, state and local governments and national welfare organizations to reduce fraud, waste and abuse," Block said.

"Progress is being made to reduce losses," Block said. "To continue this progress, I've requested each state governor to participate and support Operation Awareness."

Operation Awareness has three goals, he said:

- To improve the quality of the program through detection and reduction of losses attributed to fraud, waste and abuse.
- To ensure that successful state projects and initiatives are recognized and such information is shared between states.
- To enlist the endorsement and support of other key agencies and organizations to coordinate the efforts of these groups with our activities. To accomplish these goals, Block said, USDA is encouraging the exchange of successful techniques states are using to combat fraud and publicizing these efforts.

"Our state welfare officials are attacking fraud, waste and abuse problems," he said. For example, Block cited a South Carolina project where rigorous reviews of selected food stamp cases uncovered more than \$66,526 in overpayments to food stamp clients.

"Many of their solutions are innovative and cost-effective. We, at the federal level, need to ensure their ideas get shared and publicized. The states deserve our assistance. We want the people in Oregon to know what the people in Maine are doing," Block said.



The food stamp program is an \$11 billion effort that serves one out of 10 Americans and "is our first line of defense against hunger and malnutrition in this country. Seventy-five percent of the food stamp beneficiaries are children, women and the elderly," he said.

According to Block, USDA has begun many other activities to reduce fraud, waste and abuse, in addition to Operation Awareness.

"We know where our problems are—they are in the eligibility determination and coupon redemption processes," Block said.

To attack the problem of ineligibility and overpayments, recently published regulations require states to perform computer matches to verify the income of applicants and participants with social security and unemployment records. "This will have three benefits, Block said. "It is an aid in determining eligibility, it eliminates fraud, and it is a strong deterrent to incorrect reporting of income."

To enable states to improve the integrity of the program, USDA recently issued regulations that permit the states to establish their own standards to validate the information provided by the applicant or participant. Rules have been published that would disqualify individuals who intentionally make false or misleading statements, or conceal or withhold facts. The penalty for the first offense is six months off the program, 12 months for the second offense and permanent disqualification for the third offense.

"I will be meeting with state welfare commissioners in the spring to discuss Operation Awareness. This open forum will provide an opportunity for discussion of the federal/state partnership and will facilitate the exchange of ideas to improve the program," Block said.

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## **CONSERVATION CHIEF CALLS FOR REDUCING SOIL EROSION**

WASHINGTON, March 15—Farmers and ranchers were reminded today by the nation's top soil conservationist of the need to reduce soil erosion as part of an observance of National Agriculture Day on March 21.



Peter C. Myers, chief of the U.S. Department of Agriculture's Soil Conservation Service, said nearly 3 billion tons of soil erode from the nation's cropland each year, a loss that seriously threatens longterm agricultural productivity in many areas.

"We need to take steps to curb soil loss," Myers said. "Losses are very serious in many areas, with some farms losing as much as 150 tons of soil per acre per year."

Myers said the best hope of most individual landowners for reducing soil erosion is through conservation tillage systems. Such systems, which include no-till, can reduce erosion on many soils by 50 to 90 percent.

In conservation tillage, farmers plant in the stubble of the previous crop, leaving the old residue on the surface to protect the soil from rain and wind erosion. Weeds are controlled by herbicides.

"Conservation tillage systems reduce or eliminate plowing, disking, harrowing and cultivation. On most farms, this lowers cost for equipment, labor and fuel," Myers said. "Today, when too many farmers and ranchers are having a tough time financially, a conservation system that can do more for less is an economic necessity."

Myers asked the National Agriculture Day be a time for landowners to become advocates for soil and water conservation.

"We all need to redouble our efforts to promote soil and water conservation," Myers said.

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## **YOUNG PEOPLE, ADULTS TO HELP PLAN FUTURE OF 4-H AT MEETING HERE**

WASHINGTON, March 17—More than 300 youths and adults will come to Washington April 9-15 to exchange views and help chart directions the nation's 4-H program will take in the years ahead.

Delegates participating in the 53rd National 4-H Conference at the National 4-H Center, 7100 Connecticut Ave., Chevy Chase, Md., will represent 5 million youths and some 600,000 4-H volunteer leaders.

"Delegates will meet in groups to discuss a broad range of topics before they make their recommendations on programs 4-H will

emphasize in the future," said Eugene Williams, deputy administrator for 4-H youth programs in the U.S. Department of Agriculture's Extension Service.

Williams said the agenda centers around this year's national theme—"4-H Pathways to the Future."

Allen A. Schmieder will make the keynote address on the first full day of the conference. He is the director for National Teachers Center Programs at the U.S. Department of Education.

Delegates will include teenage 4-H youths, adult volunteer leaders and Cooperative Extension Service staff members from 46 states, Puerto Rico, the Virgin Islands and the District of Columbia. As part of 4-H's international exchange efforts, delegates from Canada will participate.

Williams said the delegates will divide into 10 groups to analyze specific 4-H program areas and provide ideas on how to strengthen each. For example, one group will consider ways that 4-H can help create a greater awareness of agriculture in our country.

Another group will consider programs for teens which help them reinforce both their coping and communications skills.

Other topics to be explored are how to attract and use 4-H alumni in the program, 4-H and the family, intercultural programs, 4-H in urban areas, 4-H record keeping and awards, volunteer leadership and teaching roles, 4-H camping and the development of a strong corps of 4-H ambassadors to help tell the 4-H story.

Other highlights of the week include a Thursday, April 14, visit to the USDA, followed by a "4-H Day on Capitol Hill" when delegates will report on 4-H to members of Congress and watch lawmakers in action.

Cultural events of the week include theater and dance performances and a "night bus" view of Washington.

"After the conference ends," Williams said, "the 4-H members and leaders will return to their communities and tell the people back home about the work they did and what it can mean to local groups. Their recommendations will be studied closely at USDA.



The annual conference is conducted by USDA's Extension Service, in cooperation with the Cooperative Extension Services of the nation's land grant universities and colleges, and the National 4-H Council.

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## **ENROLLMENT DECLINES IN NATION'S AGRICULTURAL COLLEGES**

WASHINGTON, March 16—A steady erosion of enrollment in U.S. colleges of agriculture since 1978 now is reflected in shortages of scientific and professional personnel, a U.S. Department of Agriculture research official said today.

Terry B. Kinney, Jr., administrator of USDA's Agricultural Research Service, forecast an annual need for 59,780 new graduates in agriculture between now and 1985.

Despite opportunities for employment, annual projections are for only 51,976 graduates, he said.

"We urgently need higher education training of young people in the food and agricultural sciences," Kinney said. He said the need will increase in a world that looks to the United States for help in feeding a burgeoning population.

Current enrollment declines follow an upsurge of student interest between 1970 and 1978 when majors in agriculture at many colleges nearly tripled.

But that expansion thrived because of the "baby boom" era that began in 1946 along with that generation's strong interest in environmental issues, according to Kyle Jane Coulter, director of the research agency's higher education programs.

Coulter helped prepare a new report, "Graduates of Higher Education in the Food and Agricultural Sciences: An Analysis of Supply/Demand."

Citing from the report, she said the available pool of college-bound students is shrinking further, with 25 percent fewer high school graduates projected for 1991 as compared with 1978.

Coulter said the shortage of high school graduates is further compounded by the disproportionate numbers of food and agricultural



professionals who began their careers after World War II. These professionals now are becoming eligible for retirement.

Also in short supply are graduate level students in agriculture, down 6.1 percent at the land grant institutions from a year ago, Coulter said.

"One of the critical problems the nation must face within the next 10 years is the emerging shortage of professionally trained agriculturists. We must address and remedy this issue while there is still time," Kinney said.

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## **BLOCK SAYS PIK BASE BIDS TO BE PUBLICLY EVALUATED**

WASHINGTON, March 16—Secretary of Agriculture John R. Block today announced that on Friday, March 18, county Agricultural Stabilization and Conservation committees will publicly evaluate whole base bids for the Payment-in-Kind—PIK—program.

"Bids will be opened and accepted on a competitive basis for corn, sorghum, wheat and cotton providing total conservation use acreage—total acres taken out of production—does not exceed 45 percent of the base for each crop in each county," Block said. All acreage in the 10-30 PIK will be accepted, as previously announced, even if the county average exceeds 45 percent. No whole base bids for rice will be accepted.

"After careful analysis we determined that the total acreage reduction, including the whole base bids to be accepted, will significantly lead to a better balance between supply and demand for each of these crops," Block said. "At the same time, the agricultural input supply and other local industries can be assured that a viable level of agricultural activity will continue in each county throughout the nation."

An enrolled report on program participation will be released at 3 p.m. EST March 22.

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## **WATER SUPPLY SEEN AS EXCELLENT**

WASHINGTON, March 16—Water supplies should be good to excellent for much of the West this summer, the U.S. Department of Agriculture and the National Oceanic and Atmospheric Administration reported today.

Peter C. Myers, chief of USDA's Soil Conservation Service, said melting snow should provide enough runoff this coming spring and summer to meet the region's needs. However, streamflow in some northern and central Rocky Mountain areas may be below normal.

Very wet weather continued in California and the Southwest. Rainfall has been quite heavy at lower elevations, with snowpack at higher elevations nearly 200 percent of normal. Myers said flooding may occur in some low-lying areas.

Snowpack has been poor in the northern and central Rockies. Water users in Montana, Wyoming and Colorado should expect below normal streamflow. Reservoir storage, however, remains good to excellent and should be adequate to offset most water shortages.

Myers gave this March 1 outlook by states:

Alaska: Little snow fell during February. Snowpack remains nearly 130 percent of normal in the Anchorage area. Snowpack is at normal or below normal elsewhere.

Arizona: Snowpack remains at nearly 200 percent of normal. Reservoir storage is 131 percent of normal. Snowmelt runoff will be much above normal.

California: Near record runoff is expected due to heavy rains and much above normal snowpack. Reservoir storage is 120 percent of normal.

Colorado: Snowpack is generally 90 percent of normal. The South Platte watershed has only 59 percent of its normal snowpack and a poor runoff is forecast. Reservoir storage is 136 percent of normal. Any water shortages should not be severe.

Idaho: Snowpack equals or exceeds normal statewide, and water supplies should be adequate. Reservoir storage is 104 percent of normal.

Montana: Water supplies will be 70 to 90 percent of normal. Reservoir storage is 108 percent of normal.



Nevada: Snowpack is 150 to 200 percent of normal. Streamflow will be much above normal. Reservoir storage is 112 percent of normal.

New Mexico: Streamflow is forecast to be 120 to 125 percent of normal, and reservoir storage is nearly 200 percent of normal.

Oregon: Water supplies should be adequate to excellent, and reservoir storage is 120 percent of normal.

Utah: Snowpack conditions are excellent in all areas except the Northeast. Reservoir storage is 127 percent of normal.

Washington: Snowpack is generally normal statewide. Streamflow will be will be 90 to 110 percent of normal. Reservoir storage is 109 percent of normal.

Wyoming: Snowpack is generally below normal statewide. Streamflow will be 70 to 90 percent of normal. Reservoir storage is 115 percent of normal.

Only about 15-20 percent of the season remains for snowpack accumulation, and Myers said this water outlook is based on the assumption that spring weather will be near normal.

The Soil Conservation Service surveys snowpack and monitors snowmelt throughout the West and reports each month from January through May.

USDA specialists, in cooperation with the National Weather Service of the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, analyze the data and issue monthly forecasts of runoff and water supplies.

Snow accumulated during winter and spring provides about 75 percent of the western water supply. Some 83 percent of the West's water is used for agriculture.

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## **BLOCK DELAYS SECOND DAIRY ASSESSMENT**

WASHINGTON, March 16—Secretary of Agriculture John R. Block said today he will delay implementing the second congressionally authorized 50-cent per hundredweight assessment on milk producers to give Congress time to adopt more effective legislation. The first 50-cent assessment will be implemented, effective April 16.



The first assessment was originally implemented on Dec. 1, 1982, but has been barred since Dec. 21 by a federal district court in Columbia, S.C. In January, a proposal to again implement the first assessment, plus a proposal to implement the second assessment simultaneously, were published in the Federal Register for public comment. The comment period ended on Feb. 28. Block said the decision to seek comments was in response to the court injunction.

"We have no choice but to again implement the first assessment," Block said. "It never was supported by me, but we really have no other alternative. That is the only option Congress has given to us, and it would be fiscally irresponsible to ignore a tool which will save up to \$60 million per month of the taxpayers' money. If not implemented, we run the risk of losing the program which has served both producers and consumers well since 1949."

Block said the first assessment would be maintained from April 16 until new legislation becomes effective. "If sufficient resolution is not forthcoming by Aug. 1, we will be forced to look again to implementation of the second 50-cent assessment. I hope this will not be necessary."

The second assessment includes "complicated" provisions for a refund to producers who reduce their marketings from quantities marketed during a designated base period, he said. "This is too much work and regulation to impose on dairy producers. If we're going to spend that much time and energy on a dairy plan, I want it to be a plan that will produce some positive and lasting results. I'm certain Congress doesn't want to make another mistake."

"Any solution to the dairy problem has to be unique. It cannot be a copy of other solutions for other commodities. Block said the solution should embrace the following principles:

- It should allow freedom of initiative for an individual dairy producer rather than operate under any type of restrictive system.
- It should maintain the type of program that has served producers and the industry quite well since 1949.
- It should lower dairy surpluses by simultaneously reducing milk production and increasing consumption to achieve a reasonable balance between supply and demand.

— It should be simple to administer and easily understood by dairy farmers.

— It should give the secretary of agriculture the flexibility over time to adjust, up or down, the economic signals sent to farmers so the program would remain in balance in future years. A proposal which includes these principles would receive the full support of this administration, he said.

Block said he is disappointed that dairy farmers have been put through the last two years of turmoil and uncertainty. "I can't blame dairy farmers for producing more in response to a price support level that has been artificially high since 1977. However, be that as it may, we must get together now and resolve this issue once and for all."

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## **USDA PERMITS LABEL APPROVAL BY IN-PLANT INSPECTORS**

WASHINGTON, March 17—Beginning June 1, the U.S. Department of Agriculture will streamline the approval of meat and poultry product labels by permitting the chief USDA inspector at the plant level to approve over half of all labels.

USDA now processes some 120,000 labels a year, nearly all at Washington headquarters.

"A number of benefits will flow from this new reliance on the field staff," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service. "By cutting red-tape and eliminating the delays encountered when label requests are mailed to Washington, significant time and money savings will accrue to both government and industry.

"We think these changes will strengthen the whole label approval process, both with regard to public protection and to helping manufacturers understand what is required of them," Houston said. "The on-site inspector is often best qualified to decide whether the product matches the description on the label, and having the label approver right there to answer questions is preferable to having all the expertise in Washington."



The new system creates three categories of labels:

- Routine labels which will be approved by the chief inspector, such as those for products with a single ingredient, and labels for which headquarters has already approved a preliminary sketch.
- Minor label changes which need no specific USDA approval. Examples are a change in packaging material or a change in the net weight claim for a product.
- Complex label issues, such as labels not previously approved carrying nutritional claims or quality guarantees. These will continue to be approved in Washington.

The new system grew out of a successful pilot study conducted in 1981 which showed that on-site approval reduces the average time required to approve a single label from three weeks, which can elapse when label applications are mailed to Washington, to less than an hour, Houston said. The study also assured USDA that adding label approval to chief inspectors' jobs will not over-burden them. The agency estimates that each of the some 3,200 chief inspectors will devote less than two hours a month to labels.

While most food processors will probably want to use the new procedures, they are voluntary, Houston said. Packers can opt for in-plant approval or apply directly to Washington. Even if they choose in-plant approval, they can resubmit denials to headquarters.

USDA received 89 comments on the May 21, 1982, proposal for the new system. The overwhelming majority supported the intent of the proposal to streamline and simplify the current system.

Notice of final action on the new system is scheduled to be published in the March 18 Federal Register.

The Federal Meat Inspection Act and the Poultry Products Inspection Act require meat and poultry to be wholesome, unadulterated and properly labeled. These acts make USDA responsible for approving all labels for federally-inspected meat and poultry products prior to their marketing.

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## **USDA KEEPS ADULTERATED VEAL OUT OF CONSUMER CHANNELS**

WASHINGTON, March 18—The U.S. Department of Agriculture has condemned 93 veal calf carcasses adulterated with diethylstilbestrol—DES.

USDA condemned the carcasses in New York after tissue analyses showed traces of the synthetic hormone, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

Houston said the condemnation is associated with legal action initiated by the Food and Drug Administration against four veal producers. Three of the four have signed a consent agreement stipulating they will not use DES or market DES-treated animals, and they agreed to pay for testing of kidney or liver samples from calves now on their farms. Under the court orders, an entire lot will be condemned if DES is confirmed in any carcass in that lot—most of the lots have about 100 calves, but some are as small as 20.

The three producers are Martin J. Horeth Farm, Chaumont, N.Y.; Edward A. Nelbach Farm, Marcy, N.Y.; and Varga Veal, Lansing, N.Y.

A fourth producer is contesting the action, and a hearing, which began March 16, concluded today.

Calves on all four farms were quarantined by the New York State Department of Agriculture and Markets at the end of February.

"The DES-containing carcasses which USDA condemned were raised on the Horeth Farm," Houston said. "They were slaughtered locally and shipped to New York City Feb. 16. No adulterated meat entered consumers channels."

USDA is responsible for assuring that the nation's meat and poultry supply is safe, wholesome and accurately labeled. The FDA, has jurisdiction over the use of DES and other drugs in food animals. DES was approved as a growth promotant in livestock until 1979 when it was banned for such purposes.

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